

Labour Market

NOTES ■ February 2013

Alberta starts 2013 with a strong jobs report

Alberta

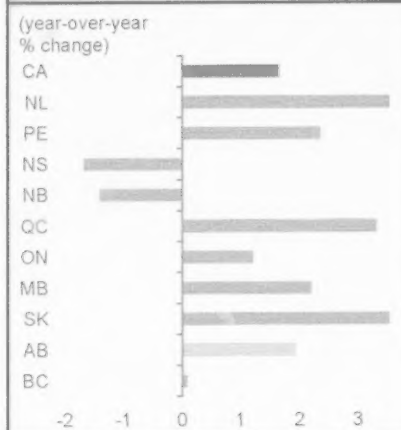
- **Employment rebounds sharply in January.** Alberta gained 9,700 jobs in January, more than offsetting December's loss of 4,300. January's increase was largely due to a gain in private sector jobs (17,400) and full-time positions (8,600). Alberta has gained 41,100 jobs since January 2012, representing a 1.9% increase.
- **Unemployment rate unchanged.** The strong employment gain was accompanied by 8,700 new entrants to Alberta's labour market in January. As a result, the unemployment rate remained at 4.5% in January. This is the second lowest rate in the country, behind only Saskatchewan (4.0%), and well below the national average of 7.0%.
- **Services sector mainly responsible for January's gain.** The job gains were concentrated in the services sector (7,400), although the goods-producing sector also posted an increase (2,200). Within the services sector, finance, real estate, insurance and leasing (6,800) as well as business, building and other support services (5,500) posted the largest increases. In the goods-producing sector, construction led all industries with a 4,800 gain.
- **Weekly earnings dip in November, but still up year-over-year.** Average weekly earnings decreased 0.9% in November, partly offsetting a 1.1% increase in October. Alberta employees earned on average \$1,086 per week in November, \$175 higher than the national average. Earnings were up 3.4% compared with the same month in 2011.

Canada

- **Canada loses jobs for first time in six months.** After five straight monthly job gains, the Canadian labour market gave back 21,900 jobs in January. Job losses in Ontario (-31,200) and British Columbia (-15,900) led the national decline. On a positive note, six provinces posted job gains in January, with Alberta (+9,700), and Saskatchewan (+7,300) leading the gains. Canada has added 286,400 positions (1.6%) since January 2012.
- **Unemployment rate drops.** Despite the job losses, the Canadian unemployment rate decreased to 7.0%, its lowest rate since December 2008. The drop was the result of people exiting the labour force.
- **Weekly earnings increase.** Canadian average weekly earnings increased to \$911 in November, marking a 3.2% gain over November 2011.

For definitions of the data indicators discussed in this publication, please see the second page of August's [Labour Market Notes](#)

Employment Growth by Province, January 2012 vs. January 2011



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	January or Latest*
Employment	2,175,000
month over month change	9,700
year-over year % change	1.9%
Alberta Unemployment Rate (UR)	4.5%
Edmonton UR**	4.1%
Calgary UR**	4.6%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	\$1,085.89
year-over-year % change	3.4%
Average Hourly Wage	\$27.85
year-over-year % change	6.1%
Job Vacancy Rate**	3.2%

Source: Statistics Canada

* All data is from the Labour Force Survey for January except AWE, which is from the November Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate which is from the October SEPH.

** This indicator is calculated as a three-month moving average.

Recent trends in Alberta oil & gas employment

Alberta posted the strongest job growth in the country again in 2012. Much of the impressive growth was due to a surge in jobs in the oil and gas industry, which started the first four months of 2012 with strong gains. However, employment growth in this industry moderated in the second half of 2012.

Oil and Gas industry has helped fuel Alberta's employment growth

The oil and gas industry plays a key role in the Alberta economy. In 2011, the industry directly contributed to about a quarter of Alberta's nominal GDP (for more information see November's *Economic Trends*). Note that Statistics Canada defines the oil and gas industry as activities directly related to extraction and exploration activity.

Strong activity in oil and gas has translated into high job growth. Employment in this industry grew 7.7% in 2011 and 14.9% in 2012. No other industry created this many jobs over the past two years.

In 2012, Alberta added 55,500 net jobs, and almost half of these came from mining, oil and gas (22,400). However, employment in this industry declined significantly through the latter part of

last year (see Chart 1). In the first six months of 2012, the industry added 2,900 jobs per month on average, but in the last six months, lost 3,800 jobs per month on average. Mining, oil and gas employment peaked at 183,800 in June and finished the year at 161,000. The industry reversed the downward trend in January 2013, posting a stabilizing gain of 1,100 jobs after four straight monthly declines.

Second half job slowdown coincides with moderation in industry activity

Activity in the oil and gas sector moderated after a strong start in 2012. Rigs drilling, as well as total metres drilled, fell below 2011 levels for much of the second half of 2012. Activity in this sector was hampered by continued weakness in natural gas prices and a drop in oil prices last year. The moderation in rig activity in 2012 coincided with a drop in oil and gas industry employment.

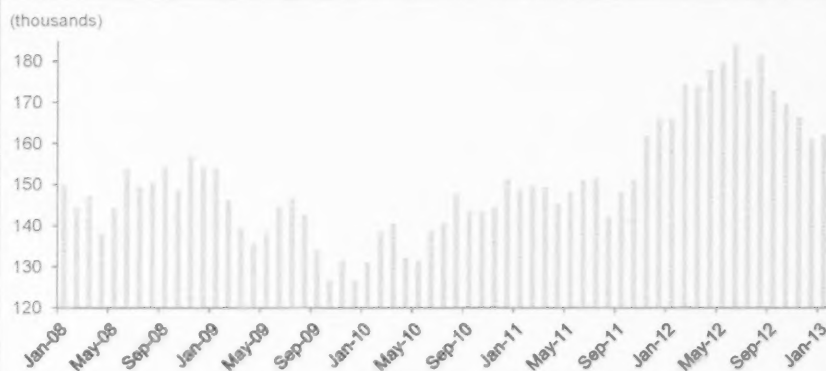
Despite the job slowdown in the last half of 2012, the mining, oil and gas industry continues to maintain a low unemployment rate. In fact, it has remained below four percent for the last few years for all but a few months (see Chart 2).

The strength of the oil and gas sector continues to translate into the highest earnings in the province. The average worker in the mining, oil and gas sector earned \$2,008 per week (as of November 2012), almost double the provincial average of \$1,086 per week, and well above the second highest earning sector, management of companies and enterprise who earned \$1,831 per week.

Conclusion

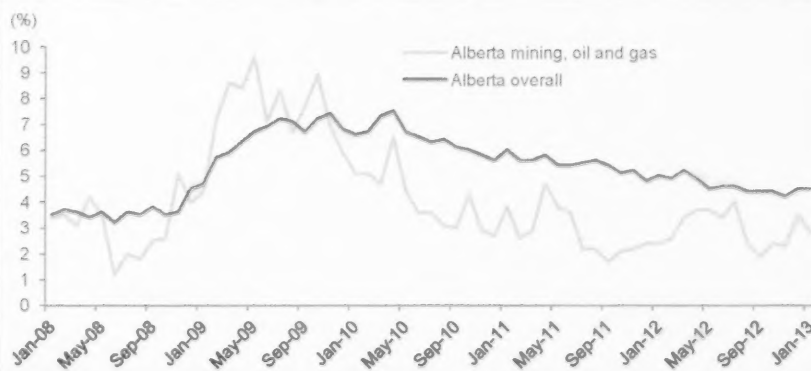
The oil and gas industry has been one of the key drivers of Alberta's employment growth in recent years. After a sharp run-up in late 2011 and early 2012, employment in this industry has started to moderate.

Chart 1: Alberta Employment in the Mining, Oil and Gas Industry



Source: Statistics Canada

Chart 2: Unemployment Rate



Source: Statistics Canada

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